

By: Darby

H.B. No. 115

A BILL TO BE ENTITLED

AN ACT

relating to a cost-of-living adjustment applicable to certain benefits paid by the Teacher Retirement System of Texas.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter H, Chapter 824, Government Code, is amended by adding Section 824.703 to read as follows:

Sec. 824.703. ADDITIONAL COST-OF-LIVING ADJUSTMENT.

(a) Notwithstanding Section 824.702 and subject to Section 821.006, the retirement system shall make a one-time cost-of-living adjustment payable to annuitants receiving a monthly death or retirement benefit annuity, as provided by this section.

(b) Subject to Subsections (c) and (d), to be eligible for the adjustment, a person must be, on the effective date of the adjustment and disregarding any forfeiture of benefits under Section 824.601, an annuitant eligible to receive:

(1) a standard service or disability retirement annuity payment;

(2) an optional service or disability retirement annuity payment as either a retiree or beneficiary;

(3) an annuity payment under Section 824.402(a)(3) or (4);

(4) an annuity payment under Section 824.502; or

(5) an alternate payee annuity payment under Section 804.005.

1 (c) If the annuitant:

2 (1) is a retiree or is a beneficiary under an optional
3 retirement payment plan, to be eligible for the adjustment under
4 this section:

5 (A) the annuitant must be living on the effective
6 date of the adjustment; and

7 (B) the effective date of the retirement of the
8 member of the retirement system must have been on or before August
9 31, 2019;

10 (2) is a beneficiary under Section 824.402(a)(3) or
11 (4) or 824.502, to be eligible for the adjustment:

12 (A) the annuitant must be living on the effective
13 date of the adjustment; and

14 (B) the date of death of the member of the
15 retirement system must have been on or before August 31, 2019; or

16 (3) is an alternate payee under Section 804.005, the
17 annuitant is eligible for the adjustment only if the effective date
18 of the election to receive the annuity payment was on or before
19 August 31, 2019.

20 (d) An adjustment made under this section does not apply to
21 payments under:

22 (1) Section 824.203(d), relating to retirees who
23 receive a standard service retirement annuity in an amount fixed by
24 statute;

25 (2) Section 824.304(a), relating to disability
26 retirees with less than 10 years of service credit;

27 (3) Section 824.304(b)(2), relating to disability

1 retirees who receive a disability annuity in an amount fixed by
2 statute;

3 (4) Section 824.404(a), relating to active member
4 survivor beneficiaries who receive a survivor annuity in an amount
5 fixed by statute;

6 (5) Section 824.501(a), relating to retiree survivor
7 beneficiaries who receive a survivor annuity in an amount fixed by
8 statute; or

9 (6) Section 824.804(b), relating to participants in
10 the deferred retirement option plan with regard to payments from
11 their deferred retirement option plan accounts.

12 (e) An adjustment under this section:

13 (1) must be made beginning with an annuity payable for
14 the month of January 2022; and

15 (2) is limited to the lesser of:

16 (A) an amount equal to six percent of the monthly
17 benefit subject to the increase; or

18 (B) \$100 a month.

19 (f) The board of trustees shall determine the eligibility
20 for and the amount of any adjustment in monthly annuities in
21 accordance with this section.

22 SECTION 2. This Act takes effect immediately if it receives
23 a vote of two-thirds of all the members elected to each house, as
24 provided by Section 39, Article III, Texas Constitution. If this
25 Act does not receive the vote necessary for immediate effect, this
26 Act takes effect on the 91st day after the last day of the
27 legislative session.